



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

February 2, 2008

Kent Hansen, Senior Vice-President
Dole Fresh Vegetables, Inc.
639 S. Sanborn Road
Salinas, CA 93905

Transmitted electronically.

Dear Mr. Hansen:

RE: FINAL REPORT for Dole Fresh Vegetables, Inc. – ET06-0203

Date of Final Document Review:	01/16/08
Beginning/Ending Time:	10:30 a.m. – noon
Date of Previous Visit:	6/27/07
Visit Location:	ETP office in Foster City, CA
Persons in attendance:	Thom Akeman, consultant, Steve Duscha Advisories; and Diane Woodside, your ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	12/28/05 – 12/27/07	Agreement Amount:	\$452,140
Type of Trainee:	Retrainee	Planned Number of Trainees to Retain:	940
Date Training must be completed:	9/27/07	Range of Hours:	24 - 100
		Weighted Average Hours Per Trainee:	37

FINAL REPORT SUMMARY:

• BACKGROUND/HISTORY OF AGREEMENT

This Agreement was approved by the Panel to fund retraining of frontline workers at the highly automated, 250,000 square-foot Soledad plant of Dole Fresh Vegetables, Inc. which produced at the time, approximately 25 percent of the bagged salads sold in North America. Dole Fresh Vegetables, Inc. (Dole) planned to transition from an agricultural model with low-skilled seasonal workers to a high-skill, manufacturing model with year-round work and career ladders for employees. The training plan targeted 940 employees to receive continuous

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improvement and manufacturing skills. According to company representatives, the classroom training as outlined represented the first large scale formal training at the Soledad facility.

The ETP Agreement with Dole was executed on 1/24/06 and training began on 1/5/06 as planned. The ETP on-line system records that all training was completed on 9/27/07 which allows for the 90-day retention period to be completed within the term ending date of the Agreement. There were no modifications or amendments to this Agreement.

FINAL PROJECT STATS:

Trainees Enrolled in Training	1,213	Completed Training and Retention:	261
To Be Dropped:	952		

According to the final invoice documents submitted by Dole, the company expects to earn a total reimbursement of \$120,170 (27 percent of the Agreement amount). Some of the factors which prevented a higher percentage of earnings includes the cultural change required in a facility using primarily on-the-job training rather than formal class/lab training. There was a three month delay in ramping up training during the initial quarter of the Agreement. The media reports of spinach poisoning in lettuce from the area affected Dole's sales resulting in reduced work hours and training opportunities. The company also does not have a substantial training/administrative staff to coordinate and conduct formal training sessions on a frequent basis.

In addition, your company representative, Ms. Uranday, further explained below why earnings were less than expected:

• **Responses to ETP Final Visit Questions:**

1. What barriers, if any, did your company experience in implementing your ETP project?

We had a slow start to implementing our ETP project due to preparing curriculum documents to train from and establishing a consistent training schedule. Our plant runs somewhat seasonal, with most of our employees working 6 days per week, Sunday through Friday, from April through November, so finding the best training schedule for the majority of our employees was challenging. Additionally, our daily schedules are planned day-to-day depending on customer orders and scheduling production.

2. What problems, if any, did your company experience with ETP record keeping?

None. We retained a subcontractor to assist us with implementing our ETP grant, and they did a fantastic job.

3. What assistance could ETP have provided that would improve the process for future Contractors?

I would like to recommend that ETP provide an informational session or ETP Program Overview for employers as a pre-requisite to being approved for a grant.

4. How did your company benefit from the ETP training?

The ETP training provided to both our hourly and salaried staff was very beneficial. Our goal was to train low-skilled employees the higher-skills needed for promotion. This was completed by training in Continuous Improvement and Manufacturing Skills. We did not get reimbursed as much from our grant as we intended, however, this was our first widespread attempt for structured training. It proved difficult to establish a training culture in an organization like ours.

ATTENDANCE ROSTERS:

In order to facilitate the final review of rosters, Mr. Akeman brought all rosters to the Foster City office for Ms. Woodside's review. The ETP analyst performed a review of a sample of rosters for the 261 completers during the final review. The sample of rosters reviewed met the minimum ETP documentation requirements and the roster information matches the data entered into ETP's on-line system. It appears that classes were under the 1:20 trainer/trainee ratio; that courses that were funded are included in the ETP curriculum; and only eligible trainee data was uploaded into the ETP on-line system.

Please note that the finding that the ETP documentation is in order is based only on the training records reviewed by your analyst and represents only a limited sample of the training records completed to date. It is the company's responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes.

INVOICE: The closeout invoice has been submitted to ETP's Fiscal Unit and is in the process of being reviewed.

AUDIT:

At this time there are no other actions to be taken by Dole Fresh Vegetables, Inc. However, please be aware that the Agreement remains subject to an audit. You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this report, please contact Diane Woodside, at 650-655-6935 or at dwoodside@etp.ca.gov, within ten (10) working days from the date of receipt.

Sincerely,

A handwritten signature in black ink that reads "Creighton Chan". The signature is fluid and cursive, with the first name "Creighton" written in a larger, more prominent script than the last name "Chan".

Creighton Chan, Manager
San Francisco Bay Area Regional Office

A handwritten signature in black ink that reads "Diane Woodside". The signature is written in a cursive style, with the first name "Diane" and last name "Woodside" clearly legible.

Diane Woodside, Account Analyst
San Francisco Bay Area Regional Office

cc: Lourdes Uranday (via email)
Thom Akeman (via email)
Steve Duscha (via email)

Master and Project File